GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1098
ANSWERED ON:07.03.2002
NHPC `S PROJECTS OF 710 MW KOEL KARO PROJECT
BIKRAM KESHARI DEO

Will the Minister of POWER be pleased to state:

(a) whether the National Hydroelectric Power Corporation is going to abandon the 710 MW Koel Karo Project;

(b) if so, the reasons therefor;

(c) the steps the Government are taking to resolve the problems; and

(d) the details of the NHPC`s approach to clear and completion of the Project?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER(SHRIMATI JAYAWANTI MEHTA)

(a) to (d) : Koel Karo HE Project (710 MW) in Bihar (now in the State of Jharkhand) was originally approved in June, 1981 at an estimated cost of Rs.444.67 crores at March 1980 price level. However, no major work could be started due to resistance from the local people to the acquisition of land. In August, 1984 a writ petition was filed in the Supreme Court of India demanding inter alia the scheme for rehabilitation of the displaced persons. On submission of the R&R package, the stay was vacated on 6.2.1989, and the Court directed that the rehabilitation plan must be implemented and the compensation must be paid. Government of India, approved the revised cost estimate for the project amounting to Rs.1338.81 crores in November, 1991. The project, however, could not take off on account of financial constraints and Rehabilitation and Resettlement issues.

2. In a meeting of the Central Empowered Committee (CEC) constituted by the Government for reviewing Central Sector projects making slow progress, held on 26.2.1997, it was decided that no further expenditure be incurred on the project without the approval of CCEA.

3. Based on the request of the Hon`ble Members of Parliament from Bihar, Ministry of Power took steps to revive the project. The Government of Bihar was requested to conduct survey of Project Affected Persons (PAPs) in order to enable NHPC in formulating the Environment Management Plan (EMP) in accordance with the guidelines of the Supreme Court. The Project now falls in the State of Jharkhand and the Government of Jharkhand has written to Ministry of Environment & Forests (MOEF) in June 2001, stressing that it would be essential to conduct fresh survey of PAPs to identify the actual beneficiaries for implementing the R&R plan.

4. The anticipated completion cost of the project is Rs.3223.68 crores. The tentative tariff at the completion cost would be around Rs.7.99 per unit. The cost of the project can only be firmed up after the actual beneficiaries have been identified and R&R plan approved based on the fresh survey. Orissa, West Bengal and Sikkim have declined to purchase power from the Koel Karo H.E. Project. The Power Purchase Agreement (PPA) earlier executed with Bihar will need modification, as the project is located in Jharkhand which is yet to sign PPA for the purchase of power.

5. A Public Interest Litigation (PIL) for implementation of the project had been filed in the High Court of Jharkhand, Ranchi, by Pandit Deen Dayal Upadhyay Smiriti Kendra. On the direction of the Hon`ble High Court, a meeting was held on 8.2.2002 between the Union Ministry of Power, Government of Jharkhand and NHPC and it was decided that the cost estimate based on fresh survey of PAPs will be necessary and NHPC would need to seek firm commitment including commercial agreement from the States to purchase the power from the project. It is reported by NHPC that the PIL filed by Pandit Deen Dayal Upadhyay Smiriti Kendra, has been dismissed by the High Court on 22.2.2002.